

Wellington, New Zealand rail workers in the dark over union-company negotiations

Our correspondent
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On July 3, the 2022-2024 Multi-Employer Collective Agreement (MECA) covering hundreds of workers on the Wellington commuter rail network expired. The deal was between the Rail and Maritime Transport Union (RMTU) and employers Transdev and Hyundai Rotem, which are contracted by the Labour Party-led Greater Wellington Regional Council (GWRC).

The RMTU has been in behind-closed-doors negotiations with the companies since July 11 on a new MECA, with no information about the talks released to workers.

At a stop-work meeting called by the union in April, workers made clear that they are prepared to fight to protect jobs and improve their pay, conditions and entitlements such as retirement, service and allowances. The RMTU, however, has not announced what claims it is pursuing or what the companies are demanding.

A union-management joint statement merely said there had been a “productive” meeting on July 18 and 19 as the parties worked “through the 46 cross-party claims with great discussion taking place.”

Workers should demand an end to this secrecy, which only serves the interests of the company. The WSWs warns that behind closed doors, the RMTU is preparing to accept another sellout agreement.

The 2022-2024 contract contained average wage rises of 5.5 percent for most workers from September 2022 to July 2023, with a 5 percent increase in the second year. Train managers received two 7.2 wage increases for the two-year contract, meagre compensation for their shift work and reliance on penalty rates of time-and-a-quarter (on weekdays), time-and-a-half (on Saturdays) and double-time (Sundays).

Workers were also angry that they were only back-paid to September 2022, instead of July 2022 when the previous contract expired. The MECA was ratified in early 2023 through the RMTU’s anti-democratic postal

ballot system in which workers who do not return a vote are automatically counted as voting in favour.

Successive wage agreements have driven down costs, cut jobs, and allowed Transdev and Hyundai Rotem to reap millions in profits. Wages have not kept pace with rising prices. Stats NZ reports that the cost of living in 2024 for the average household rose by 5.4 percent in the 12 months to June. In the same period, rent increased by 5.3 percent, insurance by 19.8 percent, interest payments by 26.7 percent, and private transport by 13 percent.

In September 2023 the GWRC, chaired by Labour Party member Daran Ponter, which has contracted Transdev and Hyundai Rotem since July 2016, extended the contract until 2031, in line with an original agreement with the private operators to slash \$100 million in operating costs over a 15-year period. Ian Ladd, managing director of Transdev in Wellington boasted that the “relationship with the Rail, Maritime and Transport Union has also been critical in improving train services.”

Transdev, a French-based corporation operating in 19 countries, which recently made global revenues of €9 billion (\$NZ16.4 billion), has made extensive investments in New Zealand. It operated passenger rail services in Auckland from 2004 to 2022 before losing that contract to Auckland One Rail and owns Mana Coach buses in Wellington and Howick & Eastern Buses in Auckland.

Transdev has achieved its profits by increasing the level of exploitation. During the last two and half years the company suffered severe short-staffing in Wellington, partly because of its own cuts and partly due to workers leaving or retiring in the face of grueling conditions. Train managers have been forced to run six cars with the back two cars locked due to safety requirements, when there are insufficient passenger operators (ticket checkers) to assist on-board. Many workers are compelled to work overtime to supplement their low wages.

Meanwhile the company complains about workers

taking increased amounts of “unplanned leave,” often due to illness. This is partly a result of the previous Labour Party-led government’s criminal decision in late 2021 to scrap its COVID-19 elimination policy, allowing the coronavirus to infect millions of people across the country.

Employers and unions enforced the reckless policy of mass infection by dropping safety measures such as mask mandates and social distancing on public transport. Many rail workers have caught the virus, taken time off, then returned to work only to catch it again.

Workers are also increasingly being subjected to disciplinary meetings with Human Resources over incidents such as drivers going past red lights, or train managers leaving a station early. Such incidents are linked to short-staffing and the stress of long shifts.

There is widespread bitterness over a decision made during the last Christmas holiday period, when most train services were cancelled for maintenance and replaced by buses. Management forced locomotive engineers (who drive trains) not on annual leave to physically come into work to sit around doing nothing. The union did nothing to oppose this.

The stresses facing rail workers have intensified with Transdev’s rollout of an unpopular sign-in and sign-out system called Mobi-Me. The RMTU collaborated in implementing the system, which adds to the already pervasive surveillance and monitoring of workers’ movements.

The deteriorating state of the Wellington rail network, managed by the state-owned KiwiRail, imposes additional burdens on workers. There are frequent speed restrictions, faulty signals, broken sections of track, problems caused by overheating during the summer, overhead power lines that freeze over in the winter.

The appalling lack of investment in public transport infrastructure was highlighted in a dramatic incident on June 21, when KiwiRail’s ageing Aratere passenger ferry between the North and South Islands ran aground due to a steering failure. Thankfully no injuries occurred, but the incident could have been catastrophic.

The decades of collaboration between the RMTU, management and the GWRC, to milk the public transport system for profit, poses the need for a new workers’ organisation, independent of the pro-capitalist trade union bureaucracy.

The Socialist Equality Group (SEG) calls on Wellington rail workers to build a rank-and-file committee to fight for demands that address their urgent needs—including an

immediate pay increase of at least 30 percent to make up for years of real wage cuts.

Such a committee would seek to establish links with transport workers and those in other industries. All workers face an assault on their living standards by the National Party-led government and corporations, deepening the attacks by the previous Labour-led government, to make the working class pay for the historic crisis of capitalism.

Rank-and-file committees would seek to unite Transdev workers in New Zealand with those in North America, Europe and Australia, who are entering into struggle. In Sydney, light rail workers employed by Transdev recently took industrial action after rejecting a miserly pay offer of 4.5 percent a year, after years of sellout agreements imposed by the Rail Tram and Bus Union.

In March, Transdev workers employed on the Fairfax Connector bus network in northern Virginia ended a strike after union leaders pushed through another rotten agreement. The WSWs reported on the company’s ruthless practice of cutting workers’ healthcare insurance after they went on strike.

The only way to fight giant multinational companies such as Transdev is through a globally coordinated industrial campaign that mobilizes the combined strength of its tens of thousands of workers. The unions are organically hostile to such a strategy and seek to keep workers divided along national lines, refusing to even tell them about these international struggles.

The fight for high-quality public transport with decent, highly paid jobs necessitates a socialist political strategy, in opposition to every capitalist party. This includes the demand for a publicly-owned transport network, placed under the democratic control of the working class, with tens of billions of dollars invested in it, paid for by the wealth that is being hoarded by the corporate and financial elite.

The SEG calls on rail workers to contact us to discuss the way forward in this critical struggle.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact